

15 December 2020

## Domestic Builder - Manager

An issue has arisen as to whether practitioners registered as a Domestic Builder- Manager are able to enter into major domestic building contracts and be named as the 'builder' on building permits. In response to recent advice given by the VBA on the issue, multiple views and interpretations have been offered.

The VBA is working with relevant Victorian Government departments and agencies to seek a resolution to this matter as the relevant laws may be ambiguous when considered in the context of the scheme as a whole including that the registration class of Domestic Builder- Manager will no longer exist after 30 June 2022.

The VBA is aware that major domestic building contracts have been entered into by registered Domestic Builder-Managers in respect of which building permits are now being sought.

Some of these contracts have been entered into in anticipation of the building owner gaining access to Commonwealth government HomeBuilder Grants.

It would disadvantage practitioners and those owners who have acted in good faith, if they are unable to receive funding or proceed to have a building permit issued for their proposed building work.

Whilst the VBA continues to work with relevant government agencies to reach clarification, the advice to relevant building surveyors (RBS) is that they may issue building permits in relation to building work for which there is a major domestic building contract between an owner and a registered Domestic Builder- Manager provided that the RBS is satisfied that the name of the registered Domestic Builder- Manager is the same as the name of the builder:


- a. in the related major domestic building contract;
- b. in the certificate of insurance from the insurer providing the required domestic builder warranty insurance in relation to the building work; and
- c. for the proposed building permit.

Notwithstanding the advice above, the VBA notes that:

1. Nothing in this advisory note extends the scope of work that a registered Domestic Builder- Manager is authorised to perform. Registered Domestic Builder- Managers are responsible for managing or arranging domestic building work carried out by registered domestic builders.

As per current requirements, registered Domestic Builder- Managers cannot carry out the domestic building work themselves or arrange for unregistered builders or sub-contractors to carry out the work.

2. The class of Domestic Builder- Manager will no longer exist after 30 June 2022. This means that those holding registration as a Domestic Builder- Manager need to be transitioning their registration now to an alternative class. They should be:
  - a. Applying for or preparing to apply for registration in an alternative category and class without delay. The VBA will provide registered Domestic Builder- Managers with more information on its streamlined application and examinations process in due course; and
  - b. Not entering into contracts for domestic building work which they may not be able to complete well in advance of 30 June 2022.
3. If a person registered as a Domestic Builder- Manager does not take any action to register in a new category and class with the VBA, they will no longer be registered after 30 June 2022.



This advisory note has been issued by the VBA after consultation with the following agencies and bodies:

- Australian Institute of Building Surveyors
- Consumer Affairs Victoria
- Department of Environment Land Water and Planning
- Housing Industry Association
- Master Builders Victoria
- Victorian Managed Insurance Authority